

CUSTOMER CONTRACT REQUIREMENTS
CH-47F
CUSTOMER CONTRACT 9016102179

CUSTOMER CONTRACT REQUIREMENTS

The following customer contract requirements apply to this contract to the extent indicated below.

1. Prime Contract Special Provisions The following prime contract special provisions apply to this purchase order

Special Provisions .

1. DEFINITIONS

- 1.1 "Aircraft" means the aircraft designated as CH-47 Chinook Helicopter to be delivered under the Buyer's Prime Contract to the Buyer's customer.
- 1.2 "Articles" means all items which the Seller is required to supply under the Contract except Documentation.
- 1.3 "Background IP" means Intellectual Property which is created prior to or independently of this Contract.
- 1.4 "Documentation" means all data (including material management data on cataloguing and supply/provisioning), manuals, publications, handbooks, designs, standards, specifications, reports, writings, models, sketches, plans, drawings, calculations and other documents relating to the Aircraft, Articles and Services, which the Seller is required to supply under this Contract.
- 1.5 "Foreground IP" means Intellectual Property which results from or is generated pursuant to or for the purposes of this Contract or a subcontract placed under this Contract as the case may be.
- 1.6 "Intellectual Property" (IP) means copyright, and all rights in relation to inventions, registered and unregistered trade marks (including service marks), registered and unregistered designs, circuit layouts, know how, other proprietary information and data and any other rights resulting from intellectual activity in the industrial, scientific, literary and artistic fields.
- 1.7 "suspect part" means an electronic part which there is an indication by visual inspection, testing, or other information that it may have been misrepresented by the supplier or manufacturer and may meet the definition of counterfeit part provided below.
- 1.8 "counterfeit part" means an unlawful or unauthorized reproduction, substitution, or alteration that has been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified electronic part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used electronic parts represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics. Examples of counterfeit parts include, but are not limited to:
- (i) Electronic parts which do not contain the proper internal construction (die, manufacturer, wire bonding, etc.) consistent with the ordered part;
 - (ii) Electronic parts which have been used, refurbished or reclaimed, but represented as new product;
 - (iii) Electronic Parts which have not successfully completed the Original Component Manufacturer's (OCM)'s full production and test flow, but are represented as completed product;
 - (iv) Electronic Parts sold as upscreened parts, which have not successfully completed upscreening; or
 - (v) Electronic Parts sold with modified labelling or markings intended to misrepresent the part's form, fit, function or grade.
- Electronic Parts which have been refurbished, upscreened, or uprated and have been identified as such, are not considered counterfeit.

2. OBSOLESCENCE

- 2.1 Seller shall maintain the availability of and its capability to support its Articles (i.e. customer support, obsolescence

notification, etc.) for the Service Life of the Aircraft, which is of twenty-five (25) years.

2.2 If any Articles provided under this Contract becomes obsolete or are not available, the Seller shall undertake to find suitable replacement and provide recommended alternate solutions to the Buyer. In addition, Seller will offer available upgrades and modifications on the equipment during this time frame.

2.3 The Seller shall endeavour to give Buyer one (1) year's prior written notice of any proposed discontinuance of the manufacture of any Article (whether manufactured by the Seller or otherwise).

3. INTELLECTUAL PROPERTY

3.1 Seller grants to the Buyer's customer a royalty free, irrevocable, worldwide, perpetual, non exclusive license to use, modify and reproduce all Seller-owned Foreground IP and Background IP so as to allow the Buyer's customer or another person on behalf of the Buyer's customer to:

(i) use, repair, maintain, refurbish, modify, adapt, integrate, develop and dispose of the Aircraft, Articles and Documentation and to do anything necessary or incidental for those purposes and for the Buyer's customer's defense purposes; and

(ii) in the event of termination of this contract for default of the Seller, to complete the supply of the Articles and Documentation.

4. COUNTERFEIT PARTS

4.1 The Seller agrees that it shall be solely responsible for ensuring that only new and authentic materials are used in the Articles. The Seller shall only purchase electronic parts directly from Original Component Manufacturers (OCMs), OCM franchised distributors, authorized aftermarket manufacturers, or sources deemed acceptable by the Seller in accordance with SAE AS5553. Use of product that was not provided by these sources is not authorized unless first approved in writing by the Buyer. The Seller must present compelling support for its request (e.g. OCM documentation that authenticates traceability of the parts to the OCM), and include in its request all actions to ensure the parts thus procured are authentic/conforming parts.

For Articles (or part thereof) that are procured from Independent Distributors, the Seller shall establish and implement test and inspection activities necessary to assure the authenticity of the Articles delivered.

4.2 The Seller shall maintain a method of item traceability that ensures tracking of the supply chain back to the OCM of all electronic parts included in the Articles being delivered per this contract.

4.3 The Seller shall notify the Buyer upon any subsequent discovery of counterfeit parts in the Articles. In the event that the Buyer discovers suspect parts or counterfeit parts, the Buyer shall notify the Seller and the Seller shall within 30 days, establish to the satisfaction of the Buyer, its plan for determining the authenticity of the alleged parts, including its plan to replace the same if necessary to maintain the expected life of the part or the airworthiness of the Aircraft. The Seller shall be solely responsible for replacing the counterfeit parts at no additional cost to the Buyer.

4.4 Any Articles or any part or unit thereof is made redundant and PROVIDED that the Articles were procured from the Seller, the Seller shall provide to the Buyer new or reworked parts to replace any unused stock items in the Buyer or the Buyer's customer's inventory without charge. All redundant parts shall become the property of the Seller.

4.5 The Seller shall provide the required labor and technical assistance to carry out the necessary rectification, the removal of the counterfeit part(s) of the Articles and to conduct the necessary tests required for the acceptance of the rectification, without additional cost to the Buyer, in addition to being liable to the Buyer for any costs, expenses or damage incurred by the Buyer as a result of the counterfeit part(s).

5. CONFIDENTIALITY AND SECURITY

5.1 Except with the consent in writing of the Buyer, the Seller shall not disclose the Subcontract or any purchases made in this Subcontract or any provisions thereof or any information issued or furnished by or on behalf of the Buyer in connection therewith to any person, except to the Seller's employees or contract labor personnel including the Seller's sub-contractors on a need to know basis.

5.2 In addition to the foregoing, the Seller shall not make use of any information obtained directly or indirectly from the Buyer or compiled or generated by the Buyer in the course of this Subcontract which pertains to or is derived from such information, other than

use for the purposes of this Subcontract, without the prior written consent of the Buyer.

5.3 The Seller shall not publish or release, nor shall it allow or suffer the publication or release of, any news item, article, publication, advertisement, prepared speech or any other information or material pertaining to any part of the obligations to be performed under the Subcontract in any media without the prior written consent of the Buyer. Notwithstanding the foregoing, the Seller may announce or publish on the Subcontract award, with prior co-ordination with the Buyer on the announcement.

5.4 Should classified information or materials is required for the performance of the Subcontract, the Seller shall comply with the Security Undertaking for Subcontract as set out in Buyer's Prime Contract and the Industrial Security Manual as issued by the Buyer's customer. These documents will be provided to the Seller subject to the applicability of this clause.

5.5 Prior to any Subcontractor or employee commencing work, the Seller shall make contractual arrangements which contain obligations functionally equivalent to this entire Clause 5.

6. PERSONNEL COMPETENCY

The Seller shall engage, deploy and retain only personnel and sub-contractors who are skilled and competent in their several trades and callings for the performance of this Subcontract. The Buyer on behalf of Buyer's customer may in its opinion request the Seller to remove from the job personnel and sub-contractors personnel who are unskilled and incompetent and require the immediate removal of those personnel and sub-contractor's personnel whose continued engagement and deployment is inconsistent with the interest of military security.

7. WORKPLACE SAFETY & HEALTH ACT

For the purposes of the Subcontract, the Seller, its employees, agents and sub-contractors when conducting work in Buyer's customer's country shall comply with the applicable provisions of the Workplace Safety & Health Act and the regulations and codes of practice issued thereunder.

8. GIFTS, INDUCEMENTS AND REWARDS

8.1 The Buyer may terminate this Contract if the Seller or any person employed by him or acting on his behalf (whether with actual or constructive knowledge) has done any act or omission which contravenes any law for the suppression of corrupt practices. The Seller shall be liable for any costs, expenses or damage incurred by the Buyer as a result of the aforesaid actions and/or termination of the subcontract under this clause.

8.2 For the purpose of this clause, the offering or payment of monetary remuneration as agency fees to the Seller's officially appointed agents in Buyer's customer's country shall not be construed as being a contravention of this clause.

9. DANGEROUS GOODS DECLARATION

Where, as a result of design development or modification of the Aircraft or Articles (including subsystems, components, repair parts, spares, tools, supplies and accessories), materials defined as Dangerous Goods of Class 1 to 9 according to United Nations' Recommendations on the Transport of Dangerous Goods Model Regulations ST/SG/AC.10/1/Rev1.1 are included in the Articles, the Seller shall submit a notice of declaration to the Buyer within three (3) months of such inclusion and not later than twelve (12) months before the supply of Articles.